East European countries during the current year to the exports made during 1990-91; and

(c) the steps taken to make up the losses?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) The total value of India's exports to Soviet Union during 1990-91 stood at Rs. 5266 crores. During the period April–August 1991–92 exports to USSR have fallen by about Rs. 998 crores as compared to the corresponding period of 1990–91.

(b) Exports to East–European countries during the period April–August 1991–92 have declined by about 37% as compared to the corresponding period of 1990–91.

(c) The fall in exports of East–European countries is mainly due to decline in exports to USSR. Since trade between India and the USSR is carried out on the basis of balanced payments, efforts are being made to increase imports from that country so that Indian exports can also rise.

**Cases of Smuggling of Narcotic Drugs at Trivandrum Airport**

2728. SHRI RAMESH CHENNITHALA: Will the Minister of FINANCE be pleased to state:

(a) the number of cases involving smuggling of narcotic drugs detected at Trivandrum airport during the last three years; and

(b) the steps taken for strengthening the anti–smuggling machinery at Trivandrum airport?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The number of cases involving smuggling of narcotic drugs, the name of the drug and the quantity seized by the Customs authorities at Trivandrum airport during the last 3 years is given in the table below:–

| *Year* | *No. of Cases* | *Name of drug* | *Quantity* |
|---|---|---|---|
| 1989 | 1 | Brown Sugar | 16.6 Kgs. |
| 1990 | 3 | Brown Sugar | 8.96 Kgs. |
| 1991 (upto 30th November) | Nil | – | – |

(b) The Customs authorities remain alert against smuggling including that of narcotic drugs. In doubtful cases, examination of the baggage and of the person is being conducted.

**Rural Credit Policy**

2729. SHRI RAMASHRAY PRASAD SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether small farmers in the country are affected by the Rural Credit Policy;

(b) if so, the details thereof; and

(c) the steps taken by the Government to review the rural credit policy so as to make it beneficial to farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c). Agriculture is one of the

major segments of 'Priority Sector'. Public Sector Banks have been asked to raise the proportion of their credit to priority sector to 40% of their total advances. Direct Finance extended to agriculture (including allied activities) are to reach 18% of their total credit and the advances to weaker section, which includes small and marginal farmers and landless cultivators and artisans, are to reach a level of 10% of their total credit or 25% of the priority sector advances. Against the above targets, public sector banks as a whole have extended 40.9% of their total advances to priority sector as at the end of June, 1991. With regard to direct finance to agriculture, these banks have extended 15.3% of their total advances as at the end of June, 1991. so far as advances to weaker sections are concerned, these banks have extended 9.6% of their total advances and 23.6% of their total priority sector advances to weaker sections by end of June, 1991.

The rural credit policy is so formulated to meet the credit needs of small farmers. The farmers all over the country are provided loans by public sector banks for the agricultural and allied activities undertaken by them on their own or through any scheme framed by Government in this regard. The financing of such activities by the credit institutions is a part of their normal lending operations on a continued basis.

A number of steps have been taken with a view to increase flow of credit to farmers, particularly small and marginal farmers. The important ones are.

1. The interest on crop loans upto Rs.7,500/- is kept low at 11.5% p.a.

2. Term loans upto Rs.2 lakhs are provided at concessional rate.

3. In the case of crop loans availed of by small and marginal farmers, the interest debited is not to exceed the principal amount.

4. In the case of crop failure, amount due should be rescheduled over a period of 3 to 5 years and fresh loans should be given to farmers.

5. No third party guarantee or collateral security is to be insisted upon for loans upto Rs.10,000/-.

6. There should be no compounding of interest on current dues in agriculture sector.

7. No margin is required per agricultural loans upto Rs.10,000 for both short term, medium/long term loans.

8. Banks have been advised that for both short term and term loans, the repayment schedule should coincide with the time when the cultivator has sold his produce and is in funds.

9. Delegation of appropriate sanctioning powers to the rural Branch Managers so that majority of loan applications are sanctioned at branch level itself.

The overall position with regards to performance of Public Sector Banks in the matter of lending to Priority Sector, including agriculture is also reviewed periodically. Whenever any deficiencies are noticed during reviews the same are looked into for necessary remedial action. The performance is also reviewed periodically at State Level Banks' Committee meetings. It will be seen from the foregoing that the policy has adequately taken care of the interest of the small farmers.